

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates

2017 - 2018

**Division/Agency:** Budget Policy Division  
**Question No:** 177  
**Topic:** West Sydney Airport  
**Reference:** Hansard page 83 (29 May 2017)  
**Senator:** Ketter, Chris

**Question:**

Senator KETTER: I turn to the Western Sydney Airport. Can you advise what is the rate of return for this project?

Senator Cormann: That is actually not a question for Fiscal Group in Treasury, but I am happy to take it on notice. I can say that the government is treating this as an equity injection, which means that the rate of return is expected to be more than CPI.

Senator KETTER: At what stage of the project does the budget assume that it generates a return?

Senator Cormann: You are asking questions here that are more appropriately addressed to a combination of Finance and the Department of Infrastructure and Regional Development, because those two portfolios are responsible for the setting-up of the relevant government business enterprise and all of the financing arrangements that are associated with it.

**Answer:**

The following response was provided by the Department of Finance.

The Government's investment decision in WSA Co is published as a capital measure in Budget Paper No. 2 2017-18 (pg. 189).

The contributions to WSA Co have been classified as equity, as the Government expects to recover its investment in real terms.

Once incorporated, WSA Co will determine an internal rate of return as part of their first Corporate Plan process, in line with *RMG-126 Commonwealth GBE Governance and oversight guidelines*.